

NEW HAMPSHIRE STATE LIQUOR COMMISSION
MINUTES
February 18, 2009

PRESENT: Chairman Mark Bodi, Commissioner Patricia Russell; Craig Bulkley, Chief of Administration; Peter Engel, Director of Store Operations; Rick Gerrish, Spirits Marketing Specialist; Evie Taft, Director of Human Resources; Deb Milewski, Director of information Technology; Major Todd Feyrer, Enforcement.

Excused: Commissioner Richard Simard; John Bunnell, Administrator of Marketing & Sales; George Tsiopras, Chief Financial Officer; Chief Eddie Edwards, Enforcement; Nicole Brassard, Wine Marketing Specialist.

I. ACCEPTANCE OF MEETING MINUTES

Chairman Bodi made a motion to accept the minutes from the meetings of January 21, 2009, February 4, 2009 and February 11, 2009 of the NH State Liquor Commission Meeting. Commissioner Russell seconded, the motion carried.

II. ADMINISTRATIVE SERVICES REPORTS

1. Administrative Issues

Hearings resume on March 3 with the Legislature. Liquor has Senate Bill #181, the Liquor Commission Modernization Act, scheduled at 10:40 AM..

There are two equipment waivers being forwarded to the Waiver Committee this week. There were no items on this morning's G&C Agenda for Liquor.

2. Financial Report

Weekly sales are up \$1.7M or 22%, surpassing the weekly sales goal.

Year to date is up 6.5%

No issues with the budget

3. IT Report

There was a hardware problem over weekend with HQ data center equipment. Stores were functioning. There was a brief discussion regarding the problem and how it was corrected.

Store 38 has had sporadic communication outages. There's been a replace of communication hardware. IT is working with Fair Point on the issue.

IT is working with Store Operations on the Wentworth Wine sale and the Plaistow move.

There was a brief discussion regarding how the communication outage problem was resolved with Fair Point. Deb explained it was an operating system feature on the stores server.

4. Human Resources Report

Five employees are on FMLA, 4 full-timers – 1 part-timer. No employees on leave without pay, and one currently on Workers Comp.

HR will be sending an email out to employees regarding the layoff procedures. The Division of Personnel has posted a Layoff FAQ on their website. Look for email from our HR soon or go into the nh.gov under Personnel.

III. MARKETING AND SALES REPORT

1. Store Operations

Sales are up \$1.4 million or 23%. Customer counts are also up.

Plaistow is in their 3rd week of construction.

The Chairman asked how the new Gilford store is going, Peter replied very well. Customers have had positive remarks. Peter explained it's a seasonal location, and he will update the numbers to the Chairman.

Hampstead construction is moving along as well.

Customer surveys results are in. A time should be set to review the results.

2. Merchandising Report

A. Purchasing

Kathy passed around warehouse report. Nothing to report.

B. Warehouse

Nothing to report.

Chairman Bodi made a motion to accept the listed Spirits items on the Agenda, as recommended by Rick Gerrish. Commissioner Russell seconded, the motion carried.

C. Spirits

1. Approved 69 spirit special offers received from Horizon Beverages for the month of April.
2. Approved 1 spirit special offer received from Perfecta Wine Company for the month of April.
3. Approved the request received from Southern Wine & Spirits to list Rumpleminze Berry Schnapps, 750ML size (new code--#5118), as a test market item.
4. Approved the request received from Horizon Beverages to list Calico Jack Spiced Rum, 750ML size (new code--#4328) as a line extension.
5. **Denied** the request received from Horizon Beverages to list Pinnacle Vodka, 750ML size, as a line extension.

The consultant firm requested to review inventory test market procedures, and finance will review our SKU management to determine what adjustments might be necessary to determine what may need to be done differently. Motion is made to accept this direction of staff to undertake a review of new product listings and SKU manage to see that the best practices are utilized as mentioned last week in the Governor's speech. Commissioner Russell seconded the motion. Motion carried.

Chairman Bodi made a motion to accept the listed Wine items on the Agenda, as recommended by Rick Gerrish in Nicole Brassard's absence. Commissioner Russell seconded, the motion carried.

D. Wines

1. As a result of the purchase and display of Code #11037, Beringer Cabernet and Code #11038, Beringer Merlot during the months of November and December, approved carrying these products in clusters one and two stores and placing an absolute on the items.
2. Approved the request received from Southern Wine & Spirits to purchase 80 cases of Code #10372, Hazlitt Red Cat Finger Lakes Wine and distribute five cases to the cluster one stores and six cases to stores 1, 6, 7, 15, 23, 42, 55, and 60, and place an absolute in the stores to maintain displays through the months of March and April.
3. Approved close out pricing for gift basket codes #90028 through #90031 in order to deplete remaining store inventory. Also approved disassembling gift basket codes #90026 and 90027 and placing the wines on the shelf with the regular inventory. The rest of the contents and baskets will be returned to Commission Headquarters.

4. Approved all primary source submissions – Exclusive 17, Imported 23

There was a brief discussion regarding the gift baskets that will be disassembled and what happens to the items. It was suggested to donate them to charities if the distributor doesn't accept them back for credit.

Chairman Bodi confirmed the Winter Wine Sale Event at the Wentworth with Peter Engel. Peter explained that everything is ready for the event.

At 1:40 p.m. Chairman Bodi moved to adjourn the Commission Meeting of February 18, 2009 and Commissioner Russell seconded. Motion carried.

IV) ENFORCEMENT & LICENSING REPORT

None

V) CHAIRMAN'S REPORT & LATE ITEMS

- a. Bailment Requests - None
- b. Coupon Approvals - None
- c. Legal Issues – None
- d. Late Items - None

VI) EXECUTIVE SESSION

Nothing for the Agenda

Mark M. Bodi, Chairman

Patricia T. Russell, Commissioner

Excused
Richard E. Simard, Commissioner